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South Carolina House of Representatives

Legislative Update

Robert J. Sheheen, Speaker of the House

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STATE DOCUMENTS

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House Week in Review

The House of Representatives pulled an all-nighter last week in an effort to get second reading of the 1992-93 State Appropriations Bill. The second reading vote came about sun-up Friday after the House debated into the wee hours of the morning the merits of maintaining the December 31, 1992 closing date for the Barnwell low-level nuclear waste disposal facility.

In the early hours of Friday morning, the House voted 62-53 to table a proviso allowing the Barnwell low level nuclear waste site to operate beyond the December 31 deadline. The proviso would have allowed the Barnwell facility to continue operating as the regional disposal facility for the Southeastern Regional Compact until January 1, 1996. An earlier tabling effort failed on a 57-57 tie vote.

The House also approved the Ways and Means Committee proposal to shift \$66 million in uncommitted Strategic Highway Plan for Improving Mobility and Safety (SHIMS) program funds to pay the \$32.8 million Hurricane Hugo debt and restore \$33 million to the General Reserve Fund. A Part II permanent proviso also would allow the State Highway Department to use SHIMS funds to match federal highway funds.

Despite lengthy efforts to increase taxes on cigarettes and to change the "C" fund allocations to fund other expenditures, both measures failed to win approval.

Other highlights of the \$3.7 billion state budget bill include:

- A 2 percent across-the board, 1 percent merit pay raise for state employees. The 2 percent increase will go into effect October 1.
- State employee one-time bonus of \$540 for employees whose salaries are under \$25,000, \$270 for employees whose salaries are over \$25,000.

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- Teacher salaries maintained at the southeastern average of \$29,600. \$5.4 million is provided for the teacher pay increases, which will average 4.5 percent.
- Restoration of \$66 million to the Capital Reserve Fund and \$33 million to the General Reserve Fund. Restoration of these two funds are constitutionally mandated. Budget cut backs over the past two years depleted the state's reserve funds from 5 percent to 1 percent of the state's General Fund revenues.
- Pay off of the \$32.8 million Hurricane Hugo note.

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Bills Introduced

The following bills were introduced in the House of Representatives last week. Not all the bills introduced in the House are featured here. The bill summaries are arranged according to the standing committee to which the legislation was referred.

Education

New School Buses and Safety Belts (H.4533, Rep. Inabinett). This legislation would require that all new or replacement school buses must be equipped with seat belts. It also requires that existing school buses for elementary and middle school students must be equipped with seat belts within three years. All school buses have five years to install the seat belts.

Judiciary

Notice to Bidders (H.4541, Rep. Harvin). Under the Consolidated Procurement Code, all those who bid on contracts worth \$50,000 or more must be notified as to who was awarded the contract. This bill would require notification be given all bidders on contracts worth \$5,000 or more.

Jury Lists from Voter Registration (H.4551, Rep. Jennings). Under this legislation, the new method of drawing jury lists from the State Highway Department drivers license list would be repealed and replaced by the old method of drawing jury pools from the voter registration lists.

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Labor, Commerce and Industry

Managing General Agents (S.1365, Senate Banking and Insurance Committee). This legislation would prohibit any person from acting as a managing general agent (MGA) for an insurer unless the person is licensed as an agent for that insurer in South Carolina. For the protection of insurance companies, MGAs would be required to obtain a \$50,000 bond for each insurer represented. The legislation states that a MGA could not place business with an insurance company unless there is a written contract between the MGA and the insurance company.

The legislation spells out how the MGA must conduct business for the insurance company, including turning over all funds due within 30 days and not retaining more than 90 days estimated claim payments. It also spells out the company's rights in connection with the settlement and payment of claims. The contract between the MGA and the insurer could be terminated for cause by the company under provisions of this legislation.

By March 1, the insurance company would have to file an annual independent financial examination of each of its MGAs with the State Insurance Commissioner. The insurer also would be required to perform on-site reviews of each MGA's underwriting and claims processing operations at least twice a year. The legislation also outlines the penalties for violations of these provisions.

Ways and Means

Charitable Harvest (H.4542, Rep. Baxley). This bill would allow farmers to claim as a state income tax deduction the wholesale value of the agricultural product they allow non-profit or charitable groups to remove from their fields after the commercial harvest. The State Tax Commission would devise procedures to determine the wholesale value of the charity's harvest.

Report: Ten Year Look At SREB Teachers' Salaries

Since passage of the 1984 Education Improvement Act, one of the most watched numbers in the state budget is the level of South Carolina teacher salaries as measured against the southeastern average. Last week, the House of Representatives, debating the 1992-93 Appropriations Act, approved a 4.5 percent increase in teacher salaries to meet the projected southeastern average of \$29,600.

The following report by the Southern Regional Education Board, reprinted here with permission, looks at teacher salaries from 1980 to 1990. This ten year review notes that while southern teachers' salaries rose significantly during the early Eighties and the wave of public school reform, these increases have not kept up with the national average.

Overview

Teacher salaries continue to increase in both the region and the nation, but SREB states are raising salaries at a slower rate and average classroom teacher pay is falling further behind the national average. Many SREB states intensified efforts to raise teacher salaries as part of educational reforms passed in the early 1980s. These efforts to close the salary gap with the nation peaked in 1986 when the regional average reached 89.7 percent of the national average salary. The decline since then has been steady -- the regional average salary is now estimated to be 87.5 percent of the national figure.

A Look At Ten Years -- 1980 to 1990

From 1980 to 1990, the national average teacher salary went from \$15,966 to \$31,331, and increase of 96.2 percent. The SREB average rose 96.5 percent, from \$13,999 to \$27,510. During this time, six states in the region (Florida, Georgia, Maryland, Mississippi, SOUTH CAROLINA and Virginia) more than doubled their salaries.

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While the SREB states had a slightly greater increase overall than the nation during the 10 years, regional increases exceeding those of the nation were restricted to four of the first six years of the decade. In each of the remaining four years, national increases surpassed those regionally.

In 1980, Maryland was the only SREB state in which the average salary (\$17,588) exceeded that of the nation (\$15,966). Kentucky was ranked second in the region with its average of \$14,520. Ranked first and second in the region in 1990, Maryland and Virginia more than doubled their averages since 1980. Maryland remains the only SREB state to top the national average. Virginia's 119.9 percent increase brought it from sixth in the region in 1980 to second and very close to meeting the national average -- in 1989-90, its salary average was 98.8 percent of the national figure.

Between 1989 and 1990, for the fourth consecutive year, the national average increase exceeded that of the region (6.0 percent and 5.5 percent, respectively). The greatest growth was experienced in North Carolina (8.3 percent), Louisiana (8.1 percent), Mississippi (7.9 percent), and Maryland (7.8 percent).

Average Teacher Salary Increases 1979-80 Through 1989-1990

Year	United States	SREB States
1980-1981	10.2 %	11.1 %
1981-1982	8.8 %	9.1 %
1982-1983	8.1 %	7.8 %
1983-1984	5.9 %	4.7 %
1984-1985	7.6 %	10.2 %
1985-1986	6.8 %	7.1 %
1986-1987	5.4 %	4.9 %
1987-1988	5.5 %	4.3 %
1988-1989	5.5 %	5.4 %
1989-1990	6.0 %	5.5 %

Source: Southern Regional Education Board

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Average Teacher Salaries By Rank
1979-80 and 1989-90

1979-80		1989-90	
1. Maryland	\$17,588	Maryland	\$36,601
United States	\$15,966	United States	\$31,331
2. Kentucky	\$14,520	Virginia	\$30,958
3. Florida	\$14,149	Florida	\$28,803
4. Texas	\$14,132	Georgia	\$28,006
5. North Carolina	\$14,117	North Carolina	\$27,883
6. Virginia	\$14,079	SREB States	\$27,510
SREB States	\$13,999	Texas	\$27,496
7. Tennessee	\$13,971	SOUTH CAROLINA	\$27,217
8. Georgia	\$13,853	Tennessee	\$27,052
9. Louisiana	\$13,770	Kentucky	\$26,292
10. West Virginia	\$13,170	Alabama	\$25,300
11. Oklahoma	\$13,107	Mississippi	\$24,364
12. SOUTH CAROLINA	\$13,063	Louisiana	\$24,300
13. Alabama	\$13,060	Oklahoma	\$23,070
14. Arkansas	\$12,420	West Virginia	\$22,842
15. Mississippi	\$11,851	Arkansas	\$22,352

Source: Southern Regional Education Board

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1990-1991 Estimated Salaries

Estimates for the 1990-91 year (revised figures will be available spring 1992) show the trend continuing for a fifth year -- the national increase of 5.4 percent is expected to exceed the regional estimate of 5.0 percent. The 1990-91 preliminary figures show a regional average of \$28,891 -- 87.5 percent of the nation's \$33,015.

The estimated increases for West Virginia (13.6 percent) and Kentucky (10.6 percent) led all the states in the nation between 1990 and 1991. Raises in both states can be attributed to reform legislation passed in 1990. Louisiana's estimated 8.0 percent boost, third largest in the region, was the final step in a three year plan to raise salaries.

Teacher Salaries 1986 Through 1990 Estimated 1991

	1985-86	1986-87	1987-88	1988-89	1989-90	Est. 1990
United States	\$25,206	\$26,556	\$28,029	\$29,570	\$31,331	\$33,105
SREB States	22,617	\$23,718	\$24,743	\$26,075	\$27,510	\$28,891
SREB % of U.S.	89.7%	89.3%	88.3%	88.2%	87.8%	87.5%

Estimated Increases for 1991-92

Most SREB states are coming out of a fiscal year that was plagued by revenue shortfalls and budget cuts, and several states are showing signs of continued economic trouble in the current year. As a result, salary increases for teachers are expected to be lower than in past years. No general pay raises will be available in Alabama, Georgia, Louisiana, Mississippi, South Carolina, Tennessee and Virginia, though some teachers may receive "step" increases of up to 3 percent for years of service. Funding provided in Florida should be sufficient to give raises averaging 3 percent. West Virginia teachers can expect increases averaging 3.9 percent as set forth in its 1990 reform program.

The greatest increase in the region is anticipated in Arkansas, where the General Assembly passed the governor's proposal to earmark increased taxes for education. Teachers are expected to receive pay raises averaging \$4,000 over two years, an increase of about 17.4 percent. Following one of the largest increases in the country in 1990-91, Kentucky teachers will receive 5 percent raises called for in 1990 reform legislation.

Source: Southern Regional Education Board